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SALE OF RYE COMMON PROJECT

[HARMONY ENERGY INCOME TRUST PLC](#)

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4 September 2023

**Harmony Energy Income Trust plc
(the "Company" or "HEIT")**

Sale of Rye Common Project

Harmony Energy Income Trust plc, which invests in battery energy storage systems ("**BESS**") in Great Britain, announces that it has completed the sale of its "shovel-ready" BESS development project, Rye Common (99 MW) (the "**Rye Common Project**") to Pulse Clean Energy Limited (the "**Sale**") at a premium to its carrying value.

Background

The Rye Common Project was acquired by the Company from Harmony Energy Limited in December 2022 alongside two other "shovel ready" BESS projects, Wormald Green and Hawthorn Pit, which are currently under construction and on track for energisation in Q2 2024 and Q3 2024, respectively.

Given the challenging capital raising environment that has remained following the Government's 'mini-budget' in September 2022, the Company opted to secure funding for the construction of the Hawthorn Pit and Wormald Green projects through the successful increase in its debt facilities with NatWest and Rabobank, as announced in February 2023.

Alternative funding options for the construction of the Rye Common Project were considered including potential vendor financing and other deferred capex structures, however it was ultimately determined by the Board that a sale of the project should also be explored.

The Sale

The Sale process attracted multiple bidders at attractive prices demonstrating the continued high level of interest for BESS projects with near-term energisation potential. In aggregate, the proceeds of the Sale coupled with recycled cash previously allocated to this project represents a 1.5 per cent. premium to the carrying value of the Rye Common Project as at 30 April 2023 set out in the Company's interim results.

The Investment Adviser and the Board believe that the successful Sale at this value:

- a) demonstrates the high-quality nature of BESS projects developed by Harmony Energy Limited. The Company benefits from an exclusive right of first refusal over a further 505 MW of pipeline BESS projects controlled by Harmony Energy Limited and in various stages of development; and
- b) validates the Company's carrying values for projects.

Following the Sale, the Company's portfolio comprises 395.4 MW / 790.8 MWh across eight BESS projects, of which three are operational and five are under construction.

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About Harmony Energy Advisors Limited (the "Investment Adviser")

The Investment Adviser is a wholly owned subsidiary of Harmony Energy Limited.

The management team of the Investment Adviser have been exclusively focussed on the energy storage sector (across multiple projects) in Great Britain for over six years, both from the point of view of asset owner/developer and in a third-party advisory capacity. The Investment Adviser is an appointed representative of Laven Advisors LLP, which is authorised and regulated by the Financial Conduct Authority.

Important Information

This announcement contains inside information for the purposes of Article 7 of MAR. Upon publication of this announcement, the inside information is now considered to be in the public domain for the purposes of MAR. The person responsible for arranging the release of this announcement on behalf of the Company is Harmony Energy Advisors Limited.

This announcement does not constitute an offer to sell or the solicitation of an offer to acquire or subscribe for shares in the Company in any jurisdiction. This distribution of this announcement outside the UK may be restricted by law. No action has been taken by the Company that would permit possession of this announcement in any jurisdiction outside the UK where action for that purpose is required. Persons outside the UK who come into possession of this announcement should inform themselves about the distribution of this announcement in their particular jurisdiction.

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and/or the plans of one or more of its investee companies and their respective current goals and expectations relating to their respective future financial condition and performance and which involve a number of risks and uncertainties. The Company's target returns are a target only and there is no guarantee that these will be achieved. This Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements.

It should also be noted that any future NAV per Share announced by the Company in due course will, in addition to the matters described in this announcement, also be affected by valuation movements in the Company's portfolio and other factors including, without limitation, purchase prices of battery energy storage systems and components, project development and construction costs, income and pricing from contracts with National Grid ESO and other counterparties, the potential for trading profitability in the wholesale electricity markets and/or Balancing

Mechanism, performance of the Company's investments, and the availability of projects which meet the Company's minimum return parameters in accordance with the Company's investment policy.

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